

4. A Proper Home: The World Trade Organization (WTO)

- To be effective and durable, any eventual investment rules must be truly multilateral. Consequently, the MAI project in the OECD must remain open to non-OECD members and, more importantly, the MAI's ultimate home should be the WTO.

This year marks the 50th anniversary of the General Agreement on Tariffs and Trade (GATT). Fifty years ago, we embarked on an ambitious effort to construct a new international order, based on open markets, free trade. Since then, we have witnessed an extraordinary expansion of the rules of trade and open markets to other countries, which has led to unprecedented growth in exports. We have benefited from the emergence of an international trading system marked by vastly improved access for goods and services in a truly global marketplace.

This is not abstract policy-making; rather, the 142 members of the WTO engage in a world market for goods, services and technology that sustains economic well-being and provides the means to realize our national ambitions. Some \$2.2 trillion in goods are now exchanged annually around the globe. Trade in services represents an increasingly dynamic component of national and global economic activity. In 1994, we succeeded in securing a comprehensive set of rules on trade in services in the WTO.

The importance of investment to our national economic expansion and aspirations is unique, neither to Canada nor to OECD countries. Although OECD countries already generate and receive the bulk of foreign direct investment, developing countries are increasingly realizing the benefits of foreign investment. A multilateral rules-based framework for investment must reflect the national values, interests and priorities of the broadest possible membership of nations.

We all agree that multilateral rules on investment are a natural and necessary complement to rules of trade in goods and trade in services. As was the case for these trade rules, getting the right rules for investment will take time and effort.

At the last WTO ministerial meeting in Singapore in 1996, Canada championed the formation of a WTO working group on trade and investment. Canada values the progress achieved to date in the working group, and remains committed to securing WTO engagement in multilateral investment negotiations.

Our negotiations at the OECD offer the prospect that we should advance this objective and create the basis for global rules. The MAI would be a first step, but our common objective must remain the development of open and fair global rules on investment. Canada believes that the WTO is the logical destination, and must be the effective home for any MAI.

5. Conclusion

- Canada maintains its commitment to the pursuit of multilateral negotiations on investment, and to ensuring a transparent process. An agreement on investment would complement the rules we already have on trade in goods and services. These trade rules have created a stable international environment, where trade has been able to grow and contribute to our common prosperity. In seeking rules on investment, we need to address the concerns of our citizens. That is why Canada believes we must all take the time to negotiate rules that will serve our national values and interests. Canada will only sign the right agreement at the right time. We believe that ultimately, such an agreement belongs in the WTO, where its benefits can be shared by the full family of nations.